

RESOLUTION NO. .

BOARD OF SUPERVISORS, COUNTY OF SAN MATEO, STATE OF CALIFORNIA

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RESOLUTION: A) AUTHORIZING A LOAN TO MIDPEN HOUSING IN THE AMOUNT OF \$2,546,000 TO SUPPORT THE FINANCING AND RENOVATION OF REAL PROPERTY LOCATED AT 3752-3770 ROLISON ROAD, ALSO KNOWN AS ATHERTON COURT, IN REDWOOD CITY; AND B) AUTHORIZING THE DIRECTOR OF THE DEPARTMENT OF HOUSING, OR THE DIRECTOR'S DESIGNEE, TO EXECUTE A LOAN AGREEMENT WITH MIDPEN HOUSING SUPPORTING THE FINANCING OF ATHERTON COURT IN REDWOOD CITY, AS APPROVED BY COUNTY COUNSEL.

RESOLVED, by the Board of Supervisors of the County of San Mateo, State of California, that

WHEREAS, on June 28, 2016, the Board of Supervisors established the Affordable Rental Acquisition and Preservation Program (ARAPP) to support the acquisition and preservation of apartment buildings rented at below-market rates in San Mateo County; and

WHEREAS, the first ARAPP loan was made to MidPen Housing (MidPen) in December 2016 to support its acquisition of Atherton Court, a 55-unit complex located at 3752-3770 Rolison Road in Redwood City known to house many clients of County service agencies; and

WHEREAS, MidPen will construct supportive service offices, rent vacancies to additional County clients beyond those already in place, and operate the complex as a supportive housing project with onsite supportive services supplementing County case

management; and

WHEREAS, MidPen was forced to change its projections for securing funds from two permanent funding sources including Low Income Housing Tax Credit equity and a private bank mortgage; and

WHEREAS, MidPen was recently awarded \$1.1M from the City of Redwood City's impact fees fund, which will be applied to the resulting gap; and

WHEREAS, MidPen is requesting \$2,546,000 of stopgap ARAPP funding from the County; and

WHEREAS, MidPen also applied for \$540,000 from the Federal Home Loan Bank's Affordable Housing Program (AHP), which would directly reduce the County's loan contribution; and

WHEREAS, MidPen will also reduce the County's loan if the LIHTC market improves, or if additional project-based vouchers can be located at the complex; and

WHEREAS, in order to apply for 9% Low Income Housing Tax Credits in June 2017, MidPen must present a complete budget with no funding gaps in its application; and

WHEREAS, acquisition and rehabilitation of Atherton Court meets the goals of the **Measure K**-funded ARAPP loan program including preserving naturally affordable

rental housing, minimizing displacement, preventing homelessness, housing low- and extremely-low income tenants, and leveraging other public and private sources of funding, including tax credits, funds from the City of Redwood City, owner equity, private debt, and possibly the Federal Home Loan Bank; and

WHEREAS, the project goes above and beyond ARAPP requirements for housing County clients with special needs and will improve the quality and condition of 55 units of existing affordable rental housing over the long term with deed restrictions effective for a period of 55 years; and

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the Board of Supervisors Adopt this Resolution A) authorizing a loan to MidPen Housing in the amount of \$2,546,000 to support the financing and renovation of real property located at 3752-3770 Rolison Road, also known as Atherton Court, in Redwood City; and B) authorizing the Director of the Department of Housing, or the Director's designee, to execute a loan agreement with MidPen Housing supporting the financing of Atherton Court in Redwood City, as approved by County Counsel.

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